

Hearing Date: February 7, 2008
Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
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DELPHI CORPORATION, et al., : Case No. 05-44481 (RDD)
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Debtors. : (Jointly Administered)
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**DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT TO
PROOF OF CLAIM NUMBER 12136 (PEUGEOT JAPY INDUSTRIES S.A.)**

("STATEMENT OF DISPUTED ISSUES – PEUGEOT JAPY INDUSTRIES S.A.")

Delphi Corporation and certain of its subsidiaries and affiliates, including Delphi Automotive Systems LLC ("DAS LLC"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proof Of Claim Number 12136 filed by Peugeot Japy Industries S.A. ("Peugeot") and subsequently transferred to Longacre Masterfund Ltd ("Longacre," and together with Peugeot, the "Claimants") and respectfully represent as follows:

Background

1. On October 8 and 14, 2005 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of New York.
2. On July 28, 2006, Claimant filed proof of claim number 12136 (the "Proof of Claim") against DAS LLC. The Proof of Claim asserts an unsecured non-priority claim in the amount of \$933,276.00 for the sale of goods (the "Claim").
3. On May 24, 2007, Peugeot transferred the Proof of Claim to Longacre pursuant to a notice of transfer (Docket No. 8021).
4. On October 26, 2007, the Debtors objected to the Proof of Claim pursuant to the Debtors' Twenty-Second Omnibus Objection Pursuant To 11 U.S.C. Section 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Duplicate Or Amended Claims, (B) Equity Claims, (C) Insufficiently Documented Claims, (D) Claims Not Reflected On Debtors' Books And Records, (E) Untimely Claims, And (F) Claims Subject To Modification, Tax Claims Subject To Modification, Modified Claims Asserting Reclamation, Claims Subject To Modification That

Are Subject To Prior Orders, And Modified Claims Asserting Reclamation That Are Subject To Prior Orders (Docket No. 10738) (the "Twenty-Second Omnibus Claims Objection").

5. On November 20, 2007, Peugeot filed its Response Of Peugeot Japy Industries S.A. To Debtors' Twenty-Second Omnibus Objection Pursuant To 11 U.S.C. Section 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Duplicate Or Amended Claims, (B) Equity Claims, (C) Insufficiently Documented Claims, (D) Claims Not Reflected On Debtors' Books And Records, (E) Untimely Claims, And (F) Claims Subject To Modification, Tax Claims Subject To Modification, Modified Claims Asserting Reclamation, Claims Subject To Modification That Are Subject To Prior Orders, And Modified Claims Asserting Reclamation That Are Subject To Prior Orders (Docket No. 10993) (the "Response").

Disputed Issues

A. DAS LLC Does Not Owe Peugeot The Amount Asserted In The Proof Of Claim

6. Peugeot asserts in the Proof of Claim that DAS LLC owes it a total of \$933,276.00 for goods sold. DAS LLC has reviewed the information attached to the Proof of Claim and the Response and disputes that it owes the amount asserted in the Proof of Claim.

7. Payments For Amounts Not Owed Under The Agreement Peugeot claimed \$82,660.00 in amounts owed based on the goods Peugeot asserts it is (a) storing for Delphi, (b) parts that are "in-process," or (c) for certain raw material costs for steel. Because the terms of the agreement between DAS LLC and Peugeot for the sale of goods associated with the proof of claim do not entitle Peugeot for payment for goods not delivered to DAS LLC, work in process, or raw materials costs, this amount should not be included in the claim.

8. Price Discrepancies The prices detailed on a certain purchase order for goods referenced on the Proof of Claim are lower than the prices detailed on the corresponding

invoices cited by Peugeot. The purchase order reflects the contractual pricing. Therefore, \$20,616.00 should be subtracted from the amount of the Proof of Claim.

9. After taking into account the above-referenced deductions to the Proof of Claim, the Debtors reconciled the Proof of Claim as illustrated in the following chart:

<u>Claimant's Asserted Amount</u>		\$933,276.00
<u>Modifications</u>	Payments For Amounts Not Owed Under The Agreement	(\$82,660.00)
	Price Discrepancies	(\$20,616.00)
<u>Reconciled Amount</u>		\$830,000.00

10. DAS LLC does not dispute at this time the remaining \$830,00.00 of the Claim and requests that the Claim be reduced to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$830,000.00.

Reservation Of Rights

11. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claim and (b) the Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claim.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) reducing the Proof of Claim to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$830,000.00 and (b) granting the Debtors such other and further relief as is just.

Dated: New York, New York
December 12, 2007

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